

**MINUTES OF REGULAR MEETING
ILLINOIS GAMING BOARD
April 25, 2000
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

The Illinois Gaming Board ("Board") held its Regular Meeting on April 25, 2000 in the auditorium on the 5th floor of the State of Illinois Building, Chicago, Illinois, pursuant to the Illinois Open Meetings Act, 5 ILCS 120.

The following Board Members were present: Gregory C. Jones, Chairman; and Members, Joseph A. Lamendella, Stuart P. Levine, Sterling M. Ryder and Staci M. Yandle.

Also in attendance were: Administrator Sergio E. Acosta, Special Counsel to the Board Robert F. Casey, Chief Legal Counsel Mareile Cusack, Deputy Administrators Joseph Haughey, Allan McDonald, Thomas Swoik and James W. Wagner, Deputy Chief Legal Counsel Jeannette Tamayo, other members of the staff and one member of the public.

Chairman Jones called the meeting to order at 9:46 a.m. in the 3rd floor conference room. Member Lamendella moved **that the Board retire to Closed Session pursuant to Section 2(c), paragraphs (1), (4), (11), (14) and (21) of the Open Meetings Act, to discuss the following subject matters:**

- 1. Issues Concerning Applicants and Licensees**
- 2. Recommendations of Administrative Law Judges**
- 3. Pending Litigation and Matters Involving Probable Litigation**
- 4. Investigatory Matters**
- 5. Personnel Matters**
- 6. Closed Session Minutes**

Member Levine seconded the motion. The Board adopted the motion by unanimous consent. The member of the public was asked to leave so that the Board could commence its closed session discussion.

The Board convened to Open Session at 1:25 p.m.

Minutes

Member Lamendella moved that **the Board approve the closed session minutes of the Illinois Gaming Board from:**

- **Special Meeting of November 30, 1999**
- **Regular Meeting of December 16, 1999**
- **Special Meeting of January 14, 2000**
- **Regular Meeting of January 19, 2000**
- **Special Meeting of February 18, 2000**

Member Lamendella furthered moved that **the Board approve the open session minutes of the Illinois Gaming Board from:**

- **Special Meeting of January 14, 2000**
- **Special Meeting of February 18, 2000**

Member Yandle seconded the motion. The Board adopted the motion by unanimous consent.

Chairman's Report

Chairman Jones reminded members of the public of the Special Board meeting on May 3, 2000 on problem gambling. The Chairman stated that the meeting would be at 9:00 in the Assembly Hall of the James R. Thompson Center. Chairman Jones announced that agendas for the all day meeting are available in the lobby and any questions that the public would like the Board to consider directing to specific panelists, can be submitted in writing to Janis Kielbasa.

Chairman Jones noted his disappointment regarding the proposed budget being reduced by \$2 million. Chairman Jones stated that the \$2 million was to be used as a grant from the Gaming Board to the Department of Human Services to fund initiatives for research and treatment of compulsive gambling. Chairman Jones stated that the agency would continue to work with Human Services to better understand compulsive gambling and pursue funding in the future.

Chairman Jones was happy to announce the new secretary to the Board, Monica Thomas. Chairman Jones stated that Monica has been with the Gaming Board for two years, formerly an Administrative Assistant to the Audit division, and that she is exceptionally qualified and will do an excellent job.

Member Lamendella stated that in the last few weeks he has received unsolicited comments from patrons. Mr. Lamendella stated that he believes patron input needs to be part of the licensing process and part of the regulatory process. Mr. Lamendella stated that patrons are a major part of the process and should have some significant input.

Mr. Lamendella stated that he further believes that the Board and the various licensees should have a uniform global policy on underage gaming. Mr. Lamendella stated that the public, the operators and the Board have to come to some type of compact to make the problem as minimal as possible. Mr. Lamendella stated that it's not about the fines, it's about preventing the problem. Mr. Lamendella invited the input of the public, licensees, Administrator and the Board to see if together the problem can be minimized.

Chairman Jones added that at the upcoming casino Manager's meeting, he hopes to discuss a uniform age at which casinos should card patrons. Chairman Jones made mention of Casino Queen's disciplinary fine for allowing minors to be on the boat. Chairman Jones stated that Casino Queen has made steps to correct the problem including agreeing to implement their carding age from 21 to 30 years of age.

Member Lamendella stated that if a policy is universal and global no one can unfairly be faulted. Member Lamendella reiterated that the goal is not finding fault, it's prevention.

Member Ryder briefly commented on the presentation by Emerald at the Board's March 21st meeting. Member Ryder stated that it would have been a wonderful opportunity for Emerald to say publicly and indicate strongly that they were willing to conform with all of the rules and regulations of the Board and cooperate with the Board in the development of their project. Member Ryder stated that instead Emerald chose to follow a path of a lot of legalistic mumbo jumbo trying to articulate reasons why they weren't subject to Board rules and regulations that all of the other casinos are subject to. Member Ryder stated that he felt the argument was misplaced and will ultimately delay the completion of the project. Member Ryder stated that it was an unfortunate approach to take and that Emerald should be doing everything it can to acknowledge to the Board that it is going to be regulated as any other licensee.

Administrator's Report

Administrator Sergio Acosta was absent for this portion of the meeting, however, Chief Legal Counsel Mareile Cusack provided the report.

Ms. Cusack discussed concerns regarding proposed signs prepared by the IGB to be posted at various locations at riverboat sites. Ms. Cusack displayed two proposed signs and asked the Board to determine which two signs they would prefer the IGB to have posted. Ms. Cusack also requested that the Board discuss briefly the location on the riverboats that they would like the signs to be posted.

Member Yandle suggested that the message on each sign should be combined on one sign.

Chairman Jones and Member Lamendella agreed. Member Lamendella stated that it is important that a sign be posted on the riverboats that carry a message, he stated that he just didn't want to stress complaints because there are more than just complaints.

Member Lamendella stated that the signs should be posted at the entrance of each riverboat. He asked the location of the existing literature that the licensees dispense.

Ms. Cusack stated that most of the signs are located at the cages but the staff is also suggesting that the signs be posted at the entrance, right after the turnstile.

Member Lamendella suggested that the signs be posted at the entrance, exit and cages. Member Lamendella stated that maybe comments from the public and licensees would be helpful before the Board adopts the signs.

Chairman Jones agreed on a comment period and stated that at the next meeting the final language will be adopted. Chairman Jones stated that copies of the proposed sign should be distributed to anyone who has any suggestions. Chairman Jones also suggested that the Board's address also be included on the signs.

Ms. Cusack stated that signs would be added on the agenda for the next General Manager's meeting on June 7th.

Chairman Jones stated that final action on the signs will not take place until June's Board meeting giving all the casinos a chance to have input on the issue. Chairman Jones suggested that staff could request their input prior to the June 7th General Manager's meeting if the staff wants signs up as soon as possible. Chairman Jones stated that any casinos that have copies of the signs are invited to make comments and suggestions.

Member Yandle suggested that Board should be prepared to go with a final version at the May meeting.

Chairman Jones stated that any changes that the Board feels is appropriate will be made and copies of the sign will be circulated to the public and sent to every licensee with comments to be received prior to the next Board meeting.

Ms. Cusack requested the Board's input concerning the posting of compulsive gambling hotline numbers on the Board's website. She stated that the website should include hotlines for neighboring states such as Indiana and Michigan.

Monthly Performance Report

Deputy Administrator Swoik summarized the monthly statistical reports for March AGR and patron counts. He reported that the March AGR was nearly \$147.7 million bringing the total AGR since dockside gambling began, in June, to over 1 billion 173 million dollars. The Admissions total for March was over 1.7 million – 51.6 percent above March 1999. Mr. Swoik stated that the states share of taxes for the last 12 months was up by approximately \$89.7 million or 34.5 percent over the prior 12 months. The local share was up by \$14 million or 17 percent.

Public Commentary

Tom Grey, Executive Director of the National Coalition Against Legalized Gambling stated the he feels the Board is extremely important for the future in trying to find some balance between the profitability of boats and the pain to the citizens. Mr. Gray also stated that in regards to the fine with Casino Queen, there was a pattern that went on and he is glad to hear that Casino Queen has addressed it. Mr. Gray stated that he would like to see that suspension of a license is not ruled out for persistent patterns of violations or lack of being aggressive. Mr. Grey stated that he is pleased to hear that the carding age is being increased to thirty. Mr. Grey stated that he applauds the Board for its efforts in gambling reform and he is committed to working with the Board and the owners.

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Pamela Bick, former Harrah's Casino employee, stated that she would still like to see more investigation on her allegations of Harrah's casino shaving employees hours and making employees work off of the clock. Ms. Bick stated that she has done more research on the purpose of the Illinois Gaming Board and would like to know what happens to the casino when they are stealing from their employees. Ms. Bick stated that she doesn't think the Harrah's casino is bad, just the department that she worked for. She would like to see the department admit its wrongful actions instead of covering it up. Ms. Bick also proposed that a toll-free anonymous hotline number, that's independent of the management, be printed on employees check stubs, casino elevators and bathrooms to investigate the concerns of employees.

Chairman Jones asked Ms. Bick if the toll-free hotline number that she was referring to should be incorporated in the signs that will be displayed at the entrance, exit and cages of all boats. Chairman Jones also stated that with respect to the issue of shaving hours, the Department of Labor would handle that matter. Chairman Jones thanked Ms. Bick for her comments and stated that the Board will review any other information provided.

Ms. Bick stated that she would like to supply the Board with her information but if the Board does not review it, what good is it.

Member Yandle commented to Ms. Bick that in order for the Board to comment on the information Ms. Bick has, she has to submit the information. Member Yandle encouraged Ms. Bick to submit all her information because the Board can't act on anything that they don't have.

Ms. Bick apologized if she gave the Board the wrong impression because she has seen more action in the last two months than she has in the last two years.

Thomas O'Donnell, President of the Illinois Casino Gaming Association along with Nick Panagkis from Market Shares Corp., presented to the Board an On-Board Patron Survey. The survey concluded that nearby states represent substantial competition for Illinois riverboat

casinos; there are fewer out-of-state patrons visiting Illinois casinos than in the 1997 survey; customers value the convenience of having cash services available; a majority of 62% say they would be more likely to patronize out-of-state competitors more often if cash services were removed; and finally removal of cash services would put Illinois riverboat casinos at a competitive disadvantage.

Member Yandle stated that she is not down playing the importance of the information provided by the survey, however, she felt that the survey could have been utilized to address the issues that the Board will be dealing with at the special meeting on compulsive gambling. Member Yandle stated that this was an opportunity that the Gaming Association missed and that she would have liked the survey to address issues that would have been useful in the upcoming meeting on problem gamblers.

Member Levine stated that the information provided is interesting but it's principally a lobbying effort for the usefulness of ATM's and is not relevant to the problems that will be addressed at the special meeting.

Member Ryder asked if any of the questions asked in the survey focused on the use of credit card cash advanced machines which is not cash belonging to the patron but money being borrowed from a bank or issuer of the credit card.

Member Yandle asked the purpose of the survey.

Mr. Panagkis stated the purpose was to update the demographics and perform an evaluation of the cash services available.

Administrator Sergio Acosta followed up on Member Ryder's question regarding credit card advance machines. Mr. Acosta asked if there was any effort to define the word "removal" of services during the survey.

Mr. Panagkis stated that credit card advance machines were combined with ATM's and was not singled out during the survey. Mr. Panagkis also stated that he certainly do not want to miss an opportunity to discuss a much more global issue as compulsive gambling, however, the issue back when the survey was done was ATM's on riverboats.

Member Yandle stated that she recognized the clarification but the question of problem gaming has existed for a long time and the point that she was trying to make is that everyone has to start thinking more globally. Member Yandle stated that she was simply making a point to the Gaming Association and everyone else that this was missed opportunity.

Owner Licensee Items

CASINO ROCK ISLAND – Donna Moore was present on behalf of Casino Rock Island for initial consideration for their license renewal. Ron Wicks, President of Casino Rock Island, stated that since the passing of dockside legislation, Rock Island has been able to recapture

some of its market share that was lost over the past five years. Mr. Wicks provided the Board with an update of Rock Island operations and a visual of Rock Island's expansions. Bill Renk, Vice President of Sales and Marketing, stated that even though Rock Island was able to increase its market share after dockside gaming, management recognized a need to improve property elements that affect guest perception. Mr. Renk stated that Rock Island determined that an immediate expansion was necessary. The casino invested over 3 million dollars in the expansion project which was completed in January. Mr. Renk stated that in addition to more gaming equipment and more gaming space, the casino has also increased its surveillance capability.

Member Yandle asked what is being done in terms of economic development in the community since dockside gaming.

Mr. Renk stated that over the year Rock Island has tried to support the downtown community, specifically the area known as the district of downtown Rock Island. Mr. Renk stated that in the early days of riverboat gaming, Rock Island was fundamental to the community and because of that strong start Rock Island has been able to improve upon that. Mr. Renk stated that Rock Island will be playing a more active role this year by becoming a major sponsor in events that help the downtown business community, Rock Island's library, and botanical center.

Member Ryder stated that he would like the status of Rock Island's affirmative action plan to be addressed at the next Board meeting. Member Ryder also stated that he would like to be reassured at the next meeting that there is access on the casino for persons with disabilities.

Chairman Jones asked how the local community was using the local funds.

Mr. Renk stated that the City Council of Rock Island is at a contemplating stage and that they do not know what they want to do with the funds. Mr. Renk stated that the impression he gets from the members of the City Council is that they aren't going to rely on the funds as they had in the past.

HOLLYWOOD CASINO AURORA ("HCA") – Patrick Mitchell, General Manager of Hollywood Casino, was present to ask for final approval for their barge project.

Administrator Sergio Acosta stated that staff have reviewed the plans that were submitted on behalf of Hollywood with respect to their permanent barge construction project. Mr. Acosta stated that the staff's recommendation the Board provisionally approve the project subject to final approval and also update as requested by staff during the construction project.

Member Lamendella asked Mr. Mitchell to give a brief synopsis of the project. Member Ryder asked if there will only be one entrance and if there were windows through which gaming can be observed by an underage person passing by.

Mr. Mitchell, as requested, gave a brief synopsis of the project and informed Member Ryder that there is only one entrance for guest. Mr. Mitchell also stated that there are windows, and depending on where an underage person was standing, gambling activity could be seen.

Member Ryder expressed his concerns about underage persons being able to view gambling activities. Member Ryder stated that the Board does not want to add to the enticement that is already there. Member Ryder stated that down the road this issue will have to be addressed.

Mr. Mitchell stated that they will address the issue.

Administrator Acosta wanted to clarify that the link barge project is a separate issue, which is not before the Board at this time.

Member Yandle moved that, **pursuant to Board rule 3000.230 (d), the Board authorize Hollywood to proceed with its proposed barge construction project and related agreements. The approval of the construction project is subject to Hollywood updating the Board on the progress of the construction from time to time, as deemed appropriate by the Administrator. Further, once the project is completed, Hollywood is to seek final approval from the Board of its barge construction after necessary approvals from the State Fire Marshall, U.S. Coast Guard and other appropriate authorities have been obtained. This approval is subject to Hollywood maintaining its riverboats or another contingency plan unless further authorized by the Board.** Member Ryder seconded the motion. The Board approved the motion unanimously by voice vote.

Occupational Licensees

Member Ryder moved that **the Board approve 170 applications for an Occupational License, Level 2, and 467 applications for an Occupational License, Level 3 and deny 2 application for an Occupational License Level 2 and 3 applications for an Occupational License Level 3. Further, I move that the Board direct the Administrator to contact 1 pending applicant for an occupational license to notify that applicant that staff has recommended that the board deny his application for an occupational license and provide this applicant an opportunity to respond.**

Member Lamendella seconded the motion. The Board approved the motion unanimously by voice vote, with the exception of Member Levine who left public session approximately 2:50 P.M.

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Disciplinary Complaints

Member Lamendella moved that **the Board issue Disciplinary Action No. DC-00-03 against Raymond Ristich.** Member Yandle seconded the motion. The Board approved the motion unanimously by voice vote. The Board approved the motion unanimously by

voice vote, with the exception of Member Levine who left public session approximately 2:50 P.M.

At 3:10 P.M., Member Yandle moved that **the Board reconvened to closed session to discuss personnel matters**, Member Lamendella seconded. The Board adopted the motion by unanimous consent.

Respectfully submitted,

Monica Thomas
Secretary to the Board